

OPENING STATEMENT
Chairman Ken Calvert (R-CA)
Space and Aeronautics Subcommittee
House Committee on Science
Hearing on Future Markets for Commercial Space
April 20, 2005

In today's hearing, we are going to examine the future of the commercial space market. We are going to have two panels. The first will examine the success of the world's first private effort to launch a person into space and to launch the hopes of our nascent commercial space industry that may lead to a robust market for space tourism.

Burt Rutan's SpaceShipOne is a manned, reusable launch vehicle that has successfully flown twice in two weeks carrying the equivalent of three people. Last October his team won the privately-funded \$10 million X-Prize for the development of the first private, manned spacecraft to exceed an altitude of 100 km twice in two weeks, and last night, the team was awarded the 2005 Collier Trophy, an annual award that recognizes those that have made the most significant achievement in the advancement of aviation.

Joining Mr. Rutan on this first panel will be Mr. Will Whitehorn, President of Virgin Galactic. Virgin Galactic will be buying the inaugural "fleet" of up to five of the derivative vehicles of SpaceShipOne, named SpaceShipTwo. We are very interested in hearing when Virgin Galactic plans to take ownership and when they expect to be flying tourists into suborbital space.

On the second panel, we have Mr. Elon Musk, CEO of Space Exploration Technologies or SpaceX. I was most impressed with the work that his folks were doing when I toured his facility recently in El Segundo, CA. His company is developing a new family of launch vehicles – the Falcon. He will offer his insights on his business plan and how he intends to emerge as a success in this commercial space business.

Also, on the panel will be Mr. John Vinter, the Chairman of International Space Brokers. He will offer guidelines that the insurance community requires for those start-up companies and how they must compete with the established aerospace companies for insurance coverage.

Our third panelist is Mr. Wolfgang Demisch, a preeminent expert and financial analyst of the aerospace industry. He will address the outlook for the commercial space launch industry as well as outline when space is likely to be able to attract classic risk-reward investors to succeed the "angel" investors that we see today.

And finally, Dr. Molly Macauley, Senior Fellow and Director of Academic Programs at Resources for the Future, will examine what the government should do or not do to encourage this start-up commercial space industry. She will also give her predictions on how the industry will look in five and ten years.

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Future Markets for Commercial Space

The history of success in the commercial space arena has been spotty at best. Today, I want to see how the government can be an enabler, rather than a hindrance to this important, high tech industry. This Committee has had a history of interest in the commercial space industry and I plan to continue to promote commercial space. I am hoping that we will glean information today that will be valuable as we put together our NASA Authorization in the very near future. I look forward to working with the new NASA Administrator on this objective.

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